



From the Area Director **New Rural Rental Housing Procedure Has Been Published**

Effective February 24, 2005, USDA Rural Development multi-family housing procedures changed from Rural Development (RD) Instructions to the Code of Federal Regulations (7 CFR Part 3560). There are now three handbooks that provide multi-family program direction:

HB-1-3560

MFH Loan Origination Handbook

This handbook describes USDA Rural Development's loan processing policies and establishes procedures for originating loans and grants.

HB-2-3560

MFH Asset Management Handbook

This handbook covers the requirements and procedures regarding the management of multi-family housing projects.

HB-3-3560

MFH Project Servicing Handbook

This handbook addresses the requirements and procedures for servicing loan accounts and USDA Rural Development actions in the event of compliance violations or project default.

You may obtain copies of these handbooks at:
www.rurdev.usda.gov/regs/hblist.html

Sean Le Blanc

Area Director
Amite Area Office
USDA Rural Development



Important Information on Transition Issues for New Procedure

NEW FORMS

Old and new versions of forms relating to USDA Rural Development's multi-family housing program will be accepted until May 1, 2005. After this date, all forms must conform to the new RD 3560 series of forms. You may obtain copies of the revised forms at: <http://www.rurdev.usda.gov/regs/formstoc.html#3500>

SOFTWARE UPDATES

Tenant Certification (Form RD 3560-8), **Multi-Family Housing Project Budget/Utility Allowance** (Form RD 3560-7), and **Borrower's Balance Sheet** (Form RD 3560-10) will be exempted from the May 1, 2005, requirement. These forms require software vendors to update their software, and the vendors have been given a six-month grace period for implementation.

AUTOMATED SUBMISSIONS

Automated submissions for the Budget and Balance Sheet forms will begin with the 2007 proposed budget and 2006 actual balance sheet and budget submission.

RESERVE ACCOUNT WITHDRAWALS

By May 1, 2005, reserve account withdrawals will require the use of Form RD 3560-12, **Request for Authorization to Withdraw Reserve Funds**, before you can actually withdraw any funds. If you are unable to obtain this form from the above web site, call our office and we will send copies of this form.

TENANT CERTIFICATIONS

Beginning May 1, 2005, all borrowers who submit **Tenant Certifications** through the Management Interactive Network Connection (MINC) will begin being assessed overage charges for all new **Tenant Certifications** and recertifications that are received more than 10 days after their effective date.

HUD's passbook rate of 2 percent in calculating income from assets is now required. You will be required to use this new rate when preparing any new **Tenant Certification** or recertifications processed after May 1, 2005.

MINC

Current borrowers who are not on MINC will be required to submit electronically on or before February 24, 2006.



April 2005

FYI

(for your information)

NEW INCOME LIMITS

New income limits were effective March 3, 2005. Copies of the new income limits were mailed to all management companies/borrowers on February 28, 2005. You may obtain copies at: www.rurdev.usda.gov/rhs/sfh/sfh_direct_loan_income_limits.htm

2004 AUDITS/BALANCE SHEET AND ACTUAL BUDGETS

As a reminder . . . the 2004 Audits/Balance Sheet and 2004 Actual Budgets were due April 1, 2005. We will need two copies of the audits/balance sheet and an original and two copies of the actual budgets.

OBSOLETE FORM

RD Instruction 1944-L, Tenant Grievance and Appeals Procedure, is obsolete. This procedure has been replaced by 7 CFR 3560.160. You must provide copies of the regulation to all tenants and post the new regulation in your rental office at the project. You can obtain a copy of the regulation by going to: Appendix 1 of the MFH Asset Management Handbook, HB-2-3560, Section 3560.160, page 100. You may access this handbook at: www.rurdev.usda.gov/regs/hblist.html

Preauthorized Debits (PAD)

Again, you are reminded that borrowers whose complexes are not 100 percent rental assistance (and on the MINC System) to sign up for the Preauthorized Debits (PAD) system. You can select the date in which USDA Rural Development will debit your monthly payment from your bank account. The latest date that you can select is the 7th of the month. This is a convenience for you—you do not have to worry about writing checks or checks being lost in the mail. To sign up for PAD, complete and submit Form SF-5510 to: USDA Rural Development, Multi-Family Housing Division, 3727 Government Street, Alexandria, Louisiana 71302.

Section 538 Guaranteed Rural Rental Housing Program

The Rural Housing Service Guaranteed Rural Rental Housing Program (GRRHP) is designed to assist the lending industry in serving the rental housing needs of low and moderate income rural households by providing loan guarantees for newly constructed or rehabilitated rental property in eligible rural areas. Guarantees may be used in conjunction with other subsidy programs, such as the Low Income Housing Tax Credit, Home, and state rental assistance programs.

For additional information you may go to Rural Development's Regulation web site:

www.rurdev.usda.gov/regs/hblist.html

and click on HB-1-3565, Guaranteed Rural Rental Housing Program Origination and Servicing Handbook.



Text version

Rural Development Handbooks

[HB-1-3550](#) DLOS Field Office Handbook

[HB-2-3550](#) DLOS Centralized Service Center

[HB-1-3560](#) MFH Loan Origination Handbook

[HB-2-3560](#) MFH Asset Management Handbook

[HB-3-3560](#) MFH Project Servicing Handbook

[HB-1-3565](#) Guaranteed Rural Rental Housing Program Origination and Servicing Handbook

[Application Information Systems Support Handbook](#)

For additional information, visit USDA Rural Development's regulation web site: www.rurdev.usda.gov/regs/hblist.html

Or contact your local area office.

Area I

Clarence Jones, Multi-Family Housing Specialist
Monroe Area Office, 318-343-4467

Area II

Peggy Aycock, Multi-Family Housing Specialist
Natchitoches Area Office, 318-352-7100

Area III

Becky Fontenot, Multi-Family Housing Specialist
Lafayette Area Office, 337-262-6601

Area IV

Juiet Schillings, Multi-Family Housing Specialist
Amite Area Office, 985-748-8751

Employee Spotlight

We are pleased to spotlight Kim Martin, our area office Multi-Family Housing Technician.



Kim recently completed 20 years of service with USDA. She began her career with us when our agency was known as Farmers Home Administration. Kim began working in the county office in Franklinton, Louisiana, when it was common to work on farm loans and housing loans at the same desk on the same day. Things have really changed since then.

Kim began working with multi-family housing programs six years ago. She does an excellent job servicing and monitoring the multi-family housing accounts for Area IV in Amite, Louisiana.

Kim has one daughter and son in law, Michelle and Aldo Russo. They have four children. Her daughter has traveled and lived as far away as Port Angeles, Washington, but to Kim's delight, they recently moved to Baton Rouge, Louisiana. She uses most of her spare time making sure the grandchildren are good (bad) and spoiled. Kim also enjoys working in her yard.

We are fortunate and privileged to have Kim working in the Multi-Family Housing Division of USDA Rural Development.

Keeping Area Office Informed

If your property experiences flood, fire, roof problems, etc., be sure to notify our office immediately. We have had instances of fires burning units or buildings, storm damage, drug raids, or other adverse issues, and have not been notified until we either receive tenant or congressional inquiries. Please keep us informed as to what is happening at your complex so we can adequately address inquiries.

Contact Us

Our office e-mail addresses are as follows:

Juiet Schillings:

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Mary LaMarca:

mary.lamarca@la.usda.gov

Kim Martin:

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Visit Our Office

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Fax: (985) 748-4940



E-MAIL ADDRESSES

We would like to begin e-mailing this newsletter to all management companies. Please contact Melissa Thompson at our office with your e-mail addresses. Melissa's e-mail is: melissa.thompson@la.usda.gov.



Please share our news with your site managers and maintenance personnel.

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